

They say: Well, you could consolidate your loans under the Direct Loan Program and, therefore, then you could get repayment. But isn't that a tilting of the scales and a perverse benefit to the Direct Loan Program, which is supposed to be on a competitive basis to see who offers the best incentive to the students to get a good loan program? They get to choose now which they think is best. So I don't think that providing this incentive to clearly favor the Direct Loan Program and exclude the other is good public policy. I am not aware that those who voted for it understood it might have done that.

Studies show that when you extend your loan, sometimes you end up paying more interest than going on and paying them off. The Federal Family Education Loan Program is far more popular than the Direct Loan Program at present because they have tended to offer lower interest rates and quality service, but I think there are some abuses, too, and, hopefully, this bill will tighten that up.

I will conclude on this matter by saying this is the kind of program that truly, colleagues, should strike fear in the heart of anyone concerned about the expansion and growth of Federal spending and Federal programs. It will create a new Federal bureaucracy. Next year, I predict—since this bill says you have to be regular in your payment of your student loan to qualify for this program—I will predict next year we will be providing exceptions to those who have lost their jobs, who have had an illness or who have had other kinds of problems; or we will be having lawsuits and administrative hearings over whether this or that person qualifies to have part of their loan forgiven based simply on the fact they work for some Government or public agency.

If we want to help public employees, let us do it in a more direct manner. Why should we provide a benefit program that helps those who go to some expensive college, maybe don't work while they go to college, and end up with a big debt? Let's say two individuals are working at the county health department or the EMA and one of them ran up a big debt and the Government helps them pay it off; while the other one, who worked their way through college, doesn't get anything. That is not a good way to help people, in my view.

It is also, again I submit, bad public policy because it encourages and incentivizes people not to pay their way through but to borrow money. We would like to have a different incentive. Good public policy should do that. I also see no principled basis to provide this benefit solely to the Direct Loan Program and not to the other loan programs. It is a clear tilt from one side to the other when 80 percent of the American colleges and universities are not in the Federal Direct Loan Program.

So I would say, first of all, the way it is structured today it will not be a

huge, costly program for our country, but it is not based on good principles. No. 1; No. 2, it is going to be expanded, you can be sure, in the future; and No. 3, it will create another bureaucracy, another Government program, when we already have Pell grants and loan programs that we are pumping more and more money into every year.

I suggest if we have ideas about helping people with their loans, we focus on existing loan programs and not create this one that is unprincipled in its results.

Mr. President, has Senator KENNEDY had an opportunity to think about that other amendment I was going to call up?

Mr. KENNEDY. If the Senator will be kind enough to let me examine it. That is dealing with the alternative minimum tax and deductibles that, quite frankly, as I was thinking about it, the Finance Committee deals with, and they would probably be the most valuable to try to address this. If we could deal with this first issue first, and then, if I might, try and get some member on the Finance Committee to come over and respond to the Senator's question because I think it deals with the alternative minimum tax.

I am not trying to delay, but I see the Senator from Maryland is here and would like to speak. I will be glad to respond to the Senator's presentation and move ahead in a timely way.

Mr. SESSIONS. Mr. President, reserving the floor—I believe I still am recognized—I know Senator KENNEDY has never offered a finance-related amendment on a bill that hasn't cleared the Finance Committee.

I am teasing a little bit because we all knew this bill is open to this kind of amendment, I think, and that is why I wanted to offer that AMT fix. We have voted on it before. It is something that I think we need to be more educated about and that is the reason I wanted to offer that.

I will not offer it at this time, if Senator MIKULSKI wishes to speak on the education amendment, but I hope that will not bar me from getting the floor a little later and seeking to call up that extra amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. WHITEHOUSE). The senior Senator from Maryland.

Ms. MIKULSKI. Mr. President, I rise to speak enthusiastically in favor of the Higher Education Access Reconciliation Act and to also speak against the Sessions amendment to eliminate the debt forgiveness program for entering public service.

I can't tell you how happy I am today to be speaking on legislation helping our young people have access to higher education. Finally, after a very dark week, where we were gagged and muzzled from trying to deal with bringing the Iraq war to an end, we now have an open debate on how to achieve the American dream. This is what I came to the Senate to be able to do. This is

what the voters wanted us to do when on November 7 they held a national referendum and put the Democrats back in charge so we could change the tone, have a civilized debate such as we are, and also to change the priorities—and changing the priorities Senator KENNEDY has, by leading us in a direction where we can expand opportunity for our young people without expanding our deficit.

We will not expand our Federal deficit and we will help families not expand their family deficit, as they try to help their kids achieve higher education. This legislation pending before us today should be passed in a swift, expeditious, uncluttered way. This bill is absolutely a great bill for students and it is a great bill for America. It gives our students access to the American dream. It gives our young people access to the freedom to achieve, to be able to follow their talents, and to be able to achieve higher education in whatever field they will be able to serve this country. We do it by providing an increase in Pell grants.

But the bill is also fiscally responsible as well as socially progressive. It cuts subsidies—big, lavish, bloated subsidies—to banks. In eliminating these bloated, unneeded subsidies in today's era of cheap money, what we are able to do is put that back into student aid. So we up the student aid, but we don't create more borrowing in order to do it.

The bill also has other reform elements to it. It reforms the application process. Anybody in here who is a mom or a dad—or an Aunt Barb—knows that, boy, is that process complicated. You almost have to have been to college in order to apply for student loans to be able to go to college.

The other thing it does is it keeps an eye on those colleges and universities. We have seen tuition creep—we have seen tuition gallop—to where now there is an ever-increasing escalation. We worry if we increase the Pell grants, are they then going to increase tuition? So there is reform methodologies in this, and we salute Senators KENNEDY and ENZI for being able to do this. So this is why I am so enthusiastic about this bill.

As I travel around my own State of Maryland and I talk about what we want to do with our Federal legislative initiatives, I often say to audiences—and I say here today to my colleagues—we in this country enjoy many freedoms—the freedom of speech, the freedom of press, the freedom of religion—but there is an implicit freedom our Constitution doesn't lay out but which brings people to this country and excites the passions and hopes and dreams and that is the desire and the ability to have the freedom to achieve; to take whatever talents God has given you, to fill whatever are the passions in your heart, to be able to learn so you can earn and make a contribution. That is what I call the freedom to achieve.